

ORIGINAL

NEW APPLICATION  
TELECOM



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PROFESSIONALS, INC.

Judith A. Riley, J.D.

2010 NOV -1 P 2:08

5909 Northwest Expressway, Suite 101  
Oklahoma City, OK 73132

AZ CORP COMMISSION  
DOCKET CONTROL

October 26, 2010

Arizona Corporation Commission  
**DOCKETED**

NOV -1 2010

**Via UPS Express Delivery**

Arizona Corporation Commission  
ATTN: Docket Control  
1200 W. Washington Street  
Phoenix, AZ 85007-2927  
(602) 542-3477

DOCKETED BY	<i>nr</i>
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RE: NovaTel Ltd., Inc. Application for CC& N  
Application to Eliminate Bond

T-20601A-10-0447

Enclosed please find one (1) original and thirteen (13) copies of the Application to Eliminate Bond Requirement as set forth on September 22, 2010.

Should there be any questions or additional information required, please do not hesitate to contact me at (405) 755-8177 ext. 25 or by email at [amckay@telecompliance.net](mailto:amckay@telecompliance.net)

Sincerely,

Alicia G. McKay  
Regulatory Agent

Enclosures

**BEFORE THE ARIZONA CORPORATION COMMISSON**

IN THE MATTER OF THE APPLICATION OF

**NOVATEL LTD., INC.** FOR A CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO PROVIDE  
COMPETITIVE RESOLD LONG DISTANCE  
TELECOMMUNICATIONS SERVICES.

DOCKET NO. \_\_\_\_\_

**APPLICATION TO ELIMINATE BOND REQUIREMENT**

NovaTel Ltd., Inc. ("NovaTel"), files this Application for Elimination of the Bond Requirement as set forth in Docket No. T-20601A-08-0351 and the Order of the Commission dated September 22, 2010. In support thereof, NovaTel respectfully submits the following:

**I. ALLEGATIONS OF FACT**

1. NovaTel is a Texas 'S' Corporation in good standing with the Arizona Corporation Commissions' Corporations Division.
2. NovaTel filed original application on July 10, 2008 for a Certificate of Convenience and Necessity to Provide Resold Long Distance Telecommunications Services in the State of Arizona;
3. NovaTel filed revised replacement tariffs on September 26, 2008 and October 28, 2008;
4. Proper publication in accordance with Arizona Law was presented by affidavit on May 12, 2009;
5. Commission Staff filed its Staff Report recommending approval of NovaTel's Application subject to certain conditions, and pursuant to A.R.S. § 40-282;
6. Staff's recommendations as outlined in the Order of September 22, 2010 include items beginning on Page 5 of the Order, and numbered 32(a-p), 33 and 34.

## II. DISCUSSION

The initial Application item A-15 correctly and clearly stated that NovaTel had no intentions of requiring customer deposits, prepayments or any type of advance billing for services. Attached hereto as **Exhibit A**, is a copy of the original Application page 4 showing the item in question.

The initial tariff submitted with the original Application erroneously contained information regarding customer deposit requirements on original tariff page 16, as demonstrated by **Exhibit B**.

The tariff revision sent as a replacement on September 26, 2008 was submitted to rectify this error by removing all customer deposit language. Please refer to **Exhibit C**, the revised replacement tariff page 16.

The tariff replacement filing of October 28, 2008 was filed in error. This revision mistakenly included the previously removed language regarding customer deposit rules which were not applicable to Arizona services. It is this revision NovaTel wishes to have removed from the filing.

## III. RELIEF REQUESTED

*WHEREFORE*, the facts outlined above show the language regarding customer deposit requirements was incorrect and filed in error. Under these circumstances, NovaTel Ltd., Inc. respectfully requests that the Commission issue an amended Order removing the Bond requirement set out in the Order of September 22, 2010.

Respectfully submitted,

By:   
Judith A. Riley, Regulatory Consultant  
Telecom Professionals, Inc.  
5909 Northwest Expressway, Suite 101  
Oklahoma City, OK 73132-5103  
(405) 755-8177 Voice  
(405) 755-8377 Fax  
Email: [jriley@telecompliance.net](mailto:jriley@telecompliance.net)  
On Behalf of NovaTel Ltd., Inc.

**EXHIBIT A**

Original Application Page 4

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

☒ Yes

☐ No

(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).

☐ For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

☐ Yes

☒ No

If "No", continue to question (A-15).

☐ For Local Exchange Resellers, a \$25,000 bond will be recommended.

☐ Yes

☐ No

If "No", continue to question (A-15).

☐ For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

☐ Yes

☐ No

If "No", continue to question (A-15).

☐ For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

☐ Yes

☐ No

If any box in (A-14) is marked "No", continue to question (A-15).

**Note:** Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

Applicant provides resold Interexchange telecommunications service only. Applicant will not be requiring customer deposits, prepayments or advance billing for services, leading to reduced risk for any Arizona consumer.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

**Note:** For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as **Attachment "C"** before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

**EXHIBIT B**

Original Tariff Page 16

Submitted 07/10/2008

With Original Application

TELECOMMUNICATIONS SERVICES

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.6 Interruption of Service (Cont'd)

2.6.7 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or quarter hour increments thereof that the interruption continues.

CREDIT FORMULA:

$$\text{Credit} = (A \times B) / 720$$

"A" - outage time in hours

"B" - total monthly charge for affected facility

2.7 Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission

2.8 Deposits

NovaTel may, in order to safeguard its interests, require Customer to make a cash security deposit, irrevocable letter of credit or other means prior to or any time after the provision of Services to Customer (collectively called "Deposit"). The Deposit, to be held by the Company as a guarantee or security for the payment of charges incurred, may be drawn upon by the Company for any and all past due amounts, and may be increased at any time upon the Company's request and in its sole discretion. The Company's obligation to provide Services is contingent upon an initial and continuing credit approval by the Company. Additional Deposit amounts may be required after Services commence pending continuing review of issues which include but are not limited to Customer's monthly revenue, payment history, financial condition, and as security against disputed amounts. Cash deposits are to be interest bearing at a rate not to exceed the rate agreed to by the Commission.

Original Tariff Page 16  
Submitted 07/10/2008  
With Original Application

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Issued: July 10, 2008

Effective: July 15, 2008

By: Paul A. Golibart, President  
NovaTel Ltd., Inc.  
11550 IH-10 West, Suite 110  
San Antonio, TX 78230

**EXHIBIT C**

Replacement Tariff Page 16

Submitted 09/26/2008

(submitted with Data Request)



TELECOMMUNICATIONS SERVICES

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.6 Interruption of Service (Cont'd)

2.6.7 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or quarter hour increments thereof that the interruption continues.

CREDIT FORMULA:

$$\text{Credit} = (A \times B) / 720$$

"A" - outage time in hours

"B" - total monthly charge for affected facility

2.7 Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission

2.8 RESERVED FOR FUTURE USE

Replacement Tariff Page 16  
Submitted 09/26/2008  
(submitted with Data Request)

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Issued: July 10, 2008

Effective: July 15, 2008

By: Paul A. Golibart, President  
NovaTel Ltd., Inc.  
11550 IH-10 West, Suite 110  
San Antonio, TX 78230

**EXHIBIT D**

Replacement Tariff Page 16

Submitted 10/28/2008

Unauthorized Replacement

ORIGINAL



Judith A. Riley, J.D.

5909 Northwest Expressway, Suite 101  
Oklahoma City, OK 73132

October 9, 2008

Replacement Tariff Page 16  
Submitted 10/28/2008  
Unauthorized Replacement

**Overnight Delivery**

Arizona Corporation Commission  
ATTN: Docket Control  
1200 W. Washington Street  
Phoenix, AZ 85007-2927  
(602) 542-3477

DOCKET NO. T-20601A-08-0351

Re: NovaTel Ltd., Inc. – Replacement Pages (Pages 16 Section 2.8 and Page 17 Section 2.9)

Enclosed please find one original and thirteen copies of Pages 16 and 17 of the Tariff NovaTel Ltd., Inc. filed with its' Application for a Certificate of Convenience and Necessity on July 7, 2008.

After conversations with Commission Staff, we were instructed to send the replacement pages to your office for replacement in the previously submitted package.

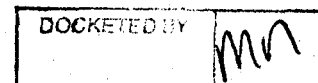
Please acknowledge receipt of these documents by file stamping the duplicate letter of transmittal enclosed herewith and returning it in the self-addressed stamped envelope included for this purpose.

Should there be any questions or additional information required, please do not hesitate to contact me at (405) 755-8177 ext. 24. Thank you for all your help.

Sincerely,

Arizona Corporation Commission  
**DOCKETED**

OCT 23 2008



A handwritten signature in black ink, appearing to read "Chris Collier".

Chris Collier  
Regulatory Consultant

Enclosure(s)

701-200-1000  
NOV 10 2008  
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TELECOMMUNICATIONS SERVICES

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.6 Interruption of Service (Cont'd)

2.6.7 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or quarter hour increments thereof that the interruption continues.

CREDIT FORMULA:

$$\text{Credit} = (A \times B) / 720$$

"A" - outage time in hours

"B" - total monthly charge for affected facility

2.7 Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission

2.8 Deposits

NovaTel will not require a deposit for service if; the applicant has had continuous service within the past twelve months and not delinquent; applicant can produce verification of timely payment history with another utility and is not currently liable for a balance; applicant can provide a Letter of Guarantee from an existing customer with acceptable service history.

If a deposit is required, NovaTel will request a deposit which shall not exceed 2 ½ times the applicant's estimated maximum monthly bill.

Cash deposits are to be interest bearing at a rate not to exceed the rate agreed to by the Commission.

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Issued: July 10, 2008

Effective: July 15, 2008

By: Paul A. Golibart , President  
NovaTel Ltd., Inc.  
11550 IH-10 West, Suite 110  
San Antonio, TX 78230